DSHS MEDICAL ASSISTANCE UTILIZATION AND COST DETAIL

MAA Aged, Blind & Disabled Categorically Needy PHYSICIAN PROCEDURES

March 22, 2001

IN FY 2000, THE AGED, BLIND, AND DISABLED Categorically Needy (CN) population – excluding "Dual Eligible" clients – used 26 percent of all Medical Assistance Administration (MAA) dollars, of which 11 percent, or about $51.6 million was spent on Physician Services.

Visits to physicians commonly involve or result in multiple services, or procedures, being rendered during the visit. When submitting claims, Physicians utilize Current Procedural Terminology (CPT) or state assigned codes indicating the number of times procedures were performed.

From FY 1998 through the first six months of 2000, the number of Physician Procedures increased by 29.5 percent. The average cost for all Physician Procedures rose 3.4 percent yet overall Physician Procedures costs increased by 33.9 percent during the same period.

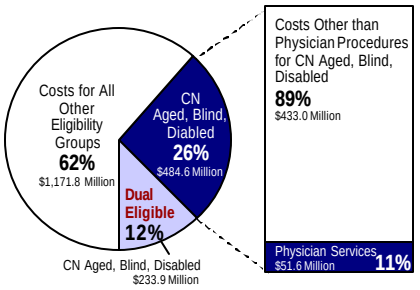
The following pages capture the use and cost trends for 20 top diagnostic categories of Physician Procedures. Evaluation and management consumed the greatest share of all Physician Procedure expenditures at 44.8 percent, or $21.3 million.

Spending on medicine and radiology completed the top three dollar items, consuming another $10.2 million in this category. Cardiology, respiratory, and female genital services use had the greatest increases during this time period.

Only two diagnostic categories, eye and urinary procedures, registered unit declines, and one category – Anesthesia – saw a cost decline.

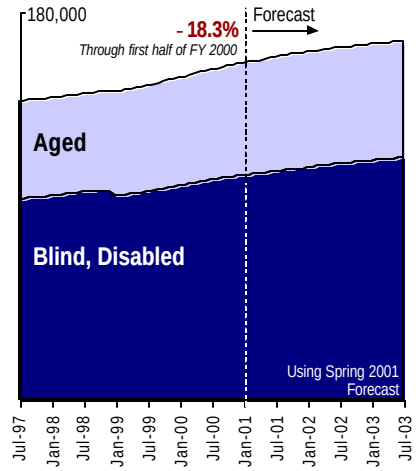
MAA Payments for Client Services

FY 2000 TOTAL = $1,890.3 Million



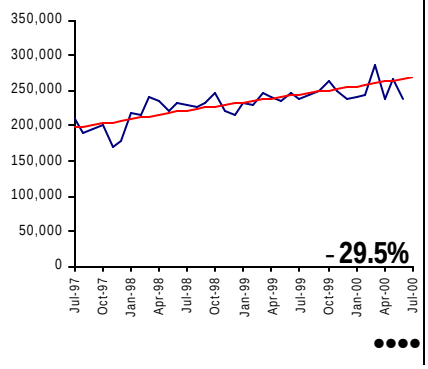
Enrollment and Forecast

Fiscal Years 1998 through 2003



Physician Utilization and Costs: Categorically Needy – Aged, Blind, Disabled

TOTAL Number Physician Procedures



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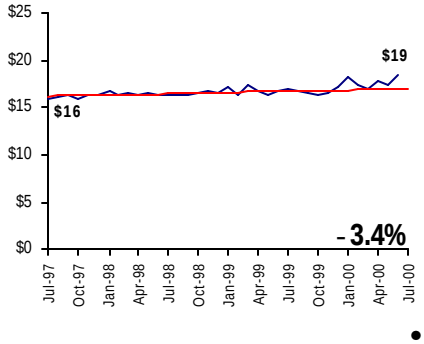
Average Cost for ALL Physician Procedures



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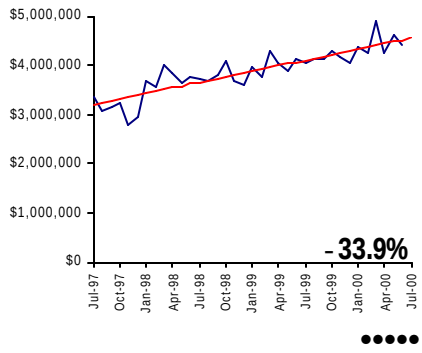
TOTAL Physician Procedures Costs



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DOTS represent percent change: ●●●●●●● = Over 75 percent increase. ●●●●●● = 50.0 to 74.9 percent.
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DETAIL: Physician Utilization and Cost by Major Diagnostic Category

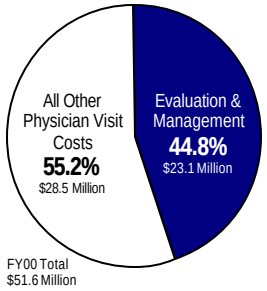
Evaluation and Management

PHYSICIAN PROCEDURE RANGE

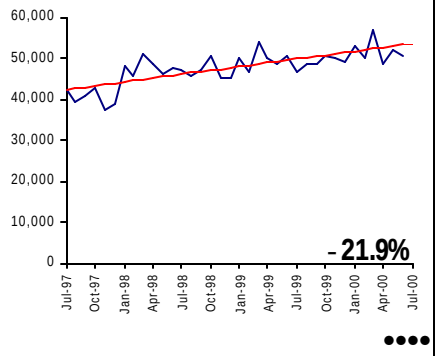
Evaluation and management (E&M) activities are divided into broad categories such as office procedures, hospital services, and consultations. Procedures in these settings can include basic life or disability evaluations, neonatal intensive or newborn care, occupational, physical, or psychotherapy evaluations, consultations, hospital discharge or outpatient procedures.

Of the $451.6 million total FY 2000 Physician Procedure expenditures, evaluation and management outspent all other procedures at $23.1 million, or 44.8 percent.

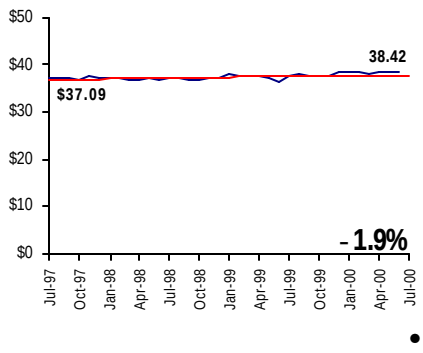
FY 2000 Physician Procedure Expenditures



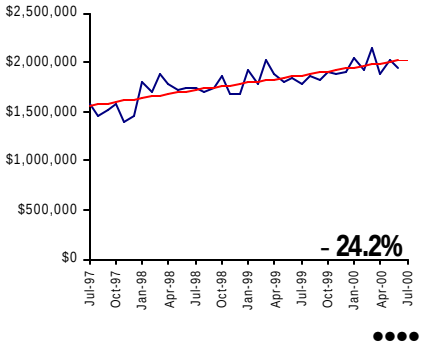
Number of Procedures



Average Cost per Procedure



Total Evaluation and Management Costs



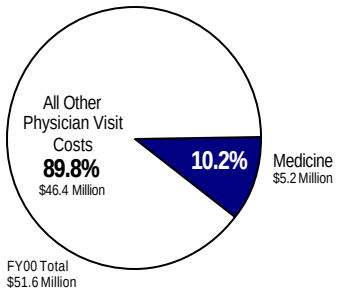
Medicine

PHYSICIAN PROCEDURE RANGE

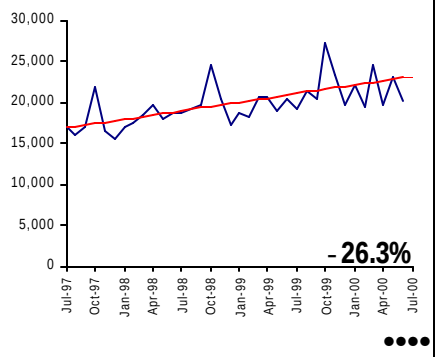
The medicine category incorporates the provision of or treatment by vaccines, infusions, dialysis, ophthalmologic services, or central nervous system tests. Medicine is listed separately from pharmacy.

A significant increase in these procedures during this period contributed to Medicine being the second highest cost center of the category, representing at 10.2 percent ($5.2 million) of Physician Procedure expenditures in FY 2000.

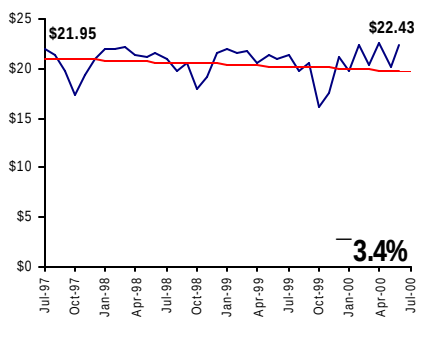
FY 2000 Physician Procedure Expenditures



Number of Procedures



Average Cost per Medicine Procedure



Total Costs for Medicine Procedures

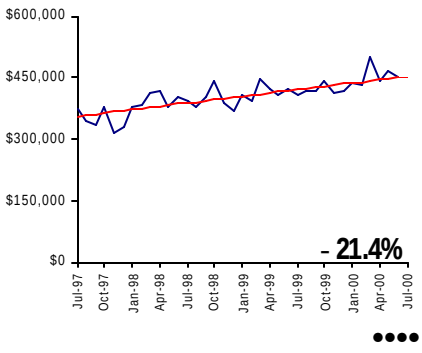


 Chart shows line of fit as a simple, linear trend. Percent change based on first six months of Fiscal Year 1998 and first six months of Fiscal Year 2000. Dollars shown on center charts represent beginning and end points and are not the basis for percent change calculation.

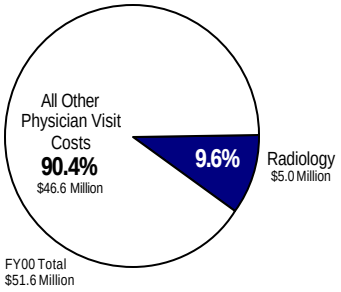
Radiology

PHYSICIAN PROCEDURE RANGE

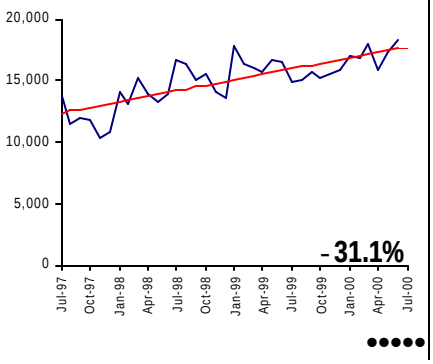
Procedures in this category are diagnostic and therapeutic radiology (x-ray), ultrasound, or nuclear medicine services, radiation treatment and management, and proton beam treatment.

Radiology costs were the third highest, totaling $5.0 million, or about 9.6 percent of all Physician Procedure costs and experienced the third highest cost increase of categories studied.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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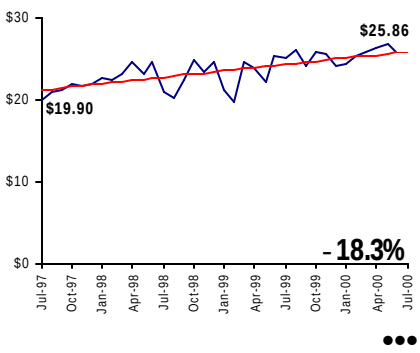
Average Cost per Procedure



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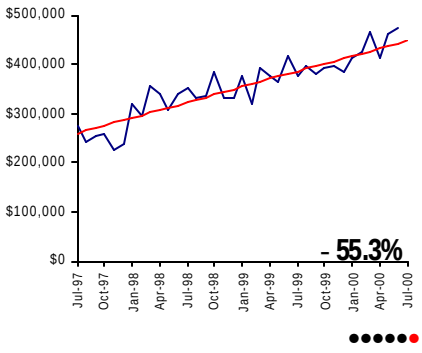
Total Physician Radiology Costs



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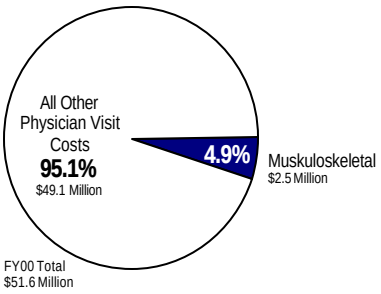
Musculoskeletal

PHYSICIAN PROCEDURE RANGE

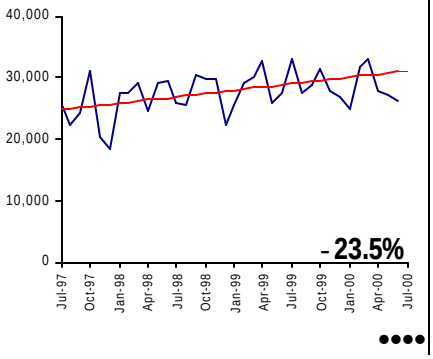
Conditions that effect the neck, back, extremities and connective tissue fall under this category. Such conditions affect the entire range of MAA Aged, Blind, and Disabled CN clients, and include bone diseases, arthritis, hip and other fractures, carpal tunnel, osteoporosis, muscular dystrophy, and tendonitis.

At $2.5 million, musculoskeletal conditions represented 4.9 percent and ranked fourth in the overall Physician Procedure spending category.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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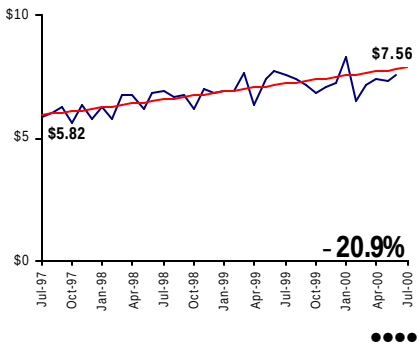
Average Cost per Procedure



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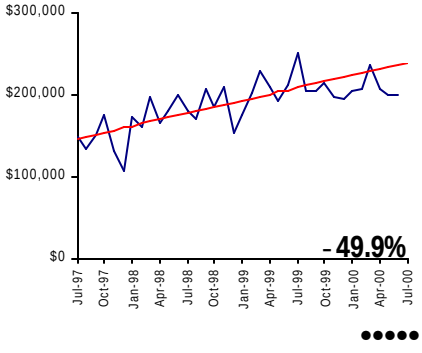
Total Costs for Musculoskeletal Procedures



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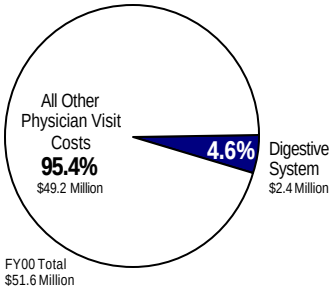
Digestive System

PHYSICIAN PROCEDURE RANGE

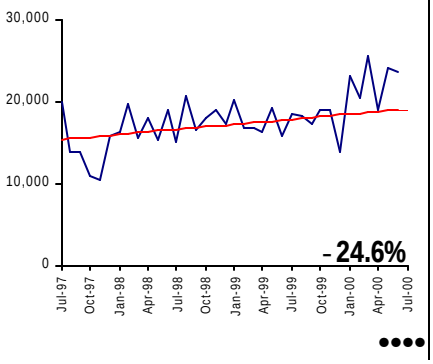
The digestive system includes the gastrointestinal track (except the colon), mouth and salivary glands, liver, pancreas, and gall bladder. Some typical disorders in this category can include indigestion, gastritis, heartburn, appendicitis, colitis, ulcers, or gallstones.

The number of procedures provided in this area were relatively small, but overall percentages of growth and total costs for related procedures were significant. This category represents about 4.6 percent of all Physician Procedure costs for this population.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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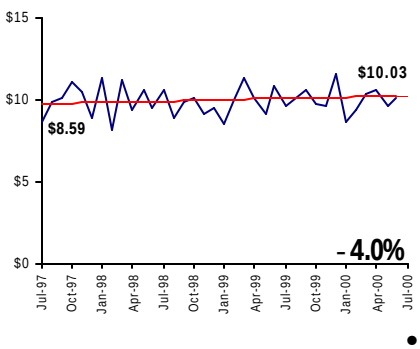
Average Cost per Procedure



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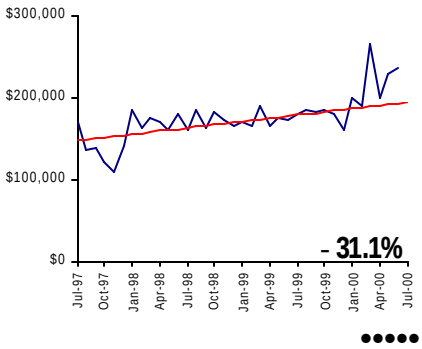
Total Costs for Digestive System Procedures



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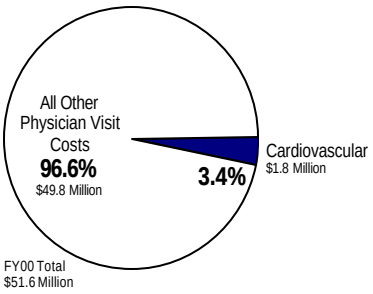
Cardiovascular

PHYSICIAN PROCEDURE RANGE

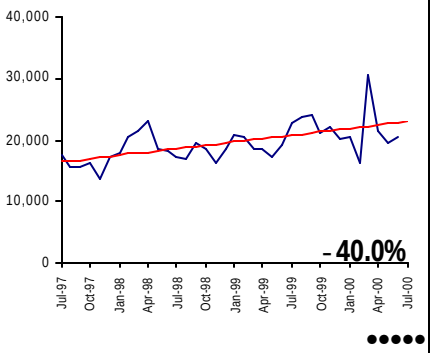
The cardiovascular system includes the heart, adrenal glands, arteries and vein tissues, and circulatory system. Disorders in this category can include heart or valve disease, high and low blood pressure, congestive heart failure, congenital heart conditions, clogged arteries, abnormal heart rhythms, and angina. About 3.4 percent of MAA Physician Procedure costs fall into this category.

Cardiovascular cost increases were primarily driven by increase in procedures, which rose from 15,958 in FY 1998 to 22,340 in FY 2000.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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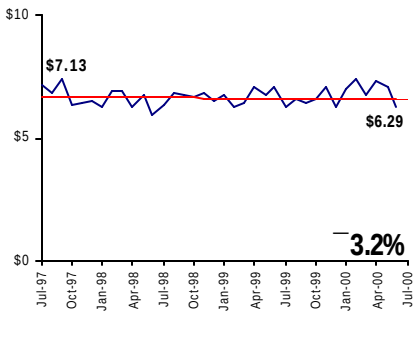
Average Cost per Cardiovascular Procedures



Total Costs for Cardiovascular Procedures

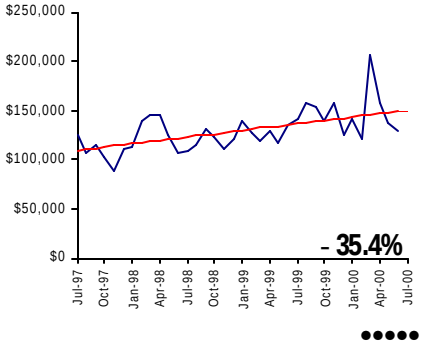


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 Chart shows line of fit as a simple, linear trend. Percent change based on first six months of Fiscal Year 1998 and first six months of Fiscal Year 2000. Dollars shown on center charts represent beginning and end points and are not the basis for percent change calculation.

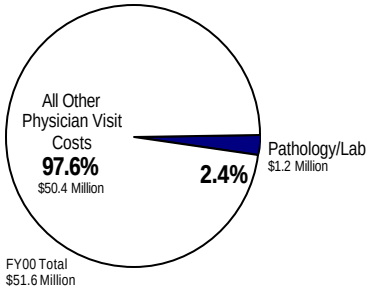
Pathology/Lab

PHYSICIAN PROCEDURE RANGE

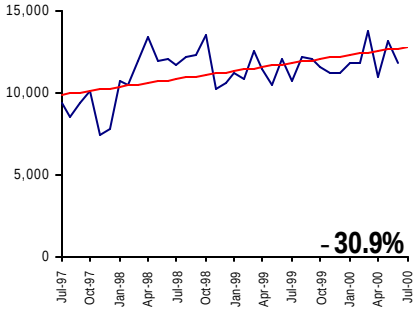
Pathology and laboratory procedures are concerned with determining causes of disease and the structural and functional changes occurring in abnormal conditions. This category could include drug testing, therapeutic drug assays, suppression testing, chemistry and tissue typing.

The average cost per unit for these activities declined slightly from FY 1998 to FY 2000. Spikes occurred in procedures provided, and spending was up 24.8 percent to capture a 2.4 percent share of overall Physician Procedures spending.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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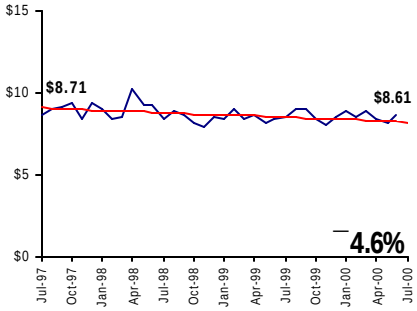
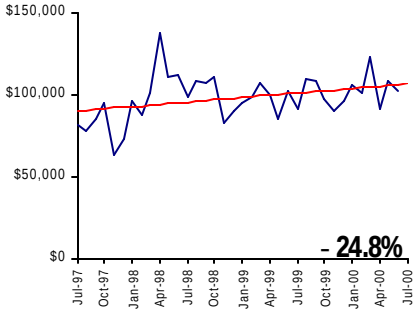
Average Cost per Pathology/Lab Procedures



Total Physician Costs for Pathology/Lab



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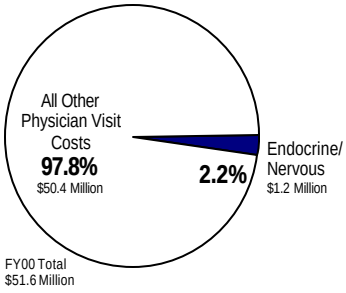
Endocrine/Nervous

PHYSICIAN PROCEDURE RANGE

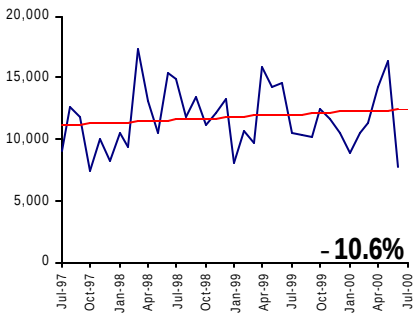
Two systems control all physiologic processes in the body. The endocrine system broadcasts its hormonal messages to essentially all cells by secretion into blood and extracellular fluid, and the nervous system exerts point-to-point control through nerves. Physician Procedures can target cyst excision, treatment or removal of parathyroid, thymus, adrenal glands and carotid artery, or surgical laparoscopy.

The number and increase of procedures in this arena remains relatively small; total costs comprise 2.2 percent of all Physician Procedure costs.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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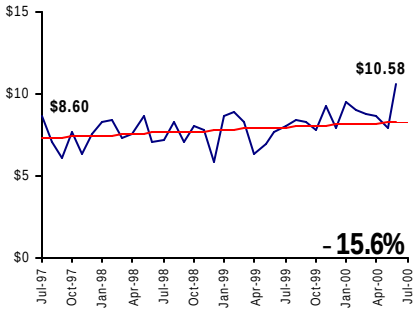
Average Cost per Procedure



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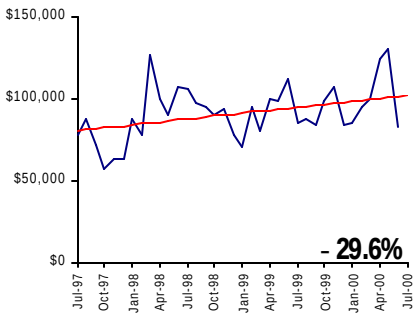
Total Costs for Endocrine/Nervous Procedures



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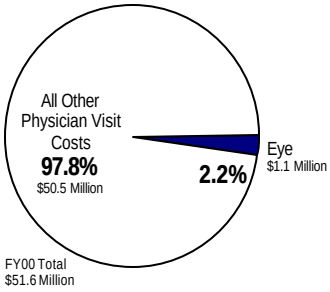
Eye

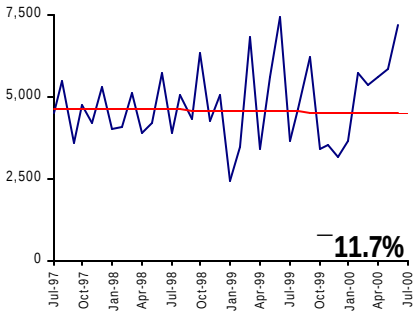
PHYSICIAN PROCEDURE RANGE

Physician Procedures related to the Eye and Ocular Adnexa cover the eyeball, cornea, anterior chamber and sclera, iris, lens, retina, eyelids, orbit, conjunctiva and lacrimal system. Costs would reflect removal of foreign bodies or ocular contents, secondary implants, laceration repairs, karatoplasty, cataract removal, incision, excision, and repair. As in the first graph, a small number of eye procedures, some with nearly none in a given period, can create the significant skewing. In the study period, the number of procedures dropped by 13.2 percent, but the third highest average cost per unit for physician costs, and an overall spending hike of 12.0 percent to total $1.1million.

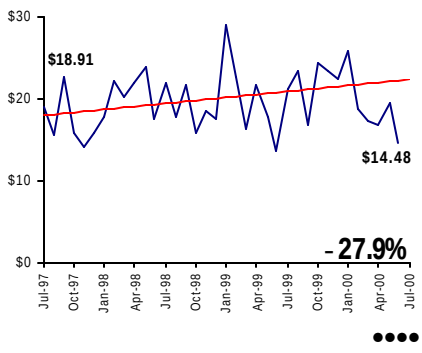
FY 2000 Physician Procedure Expenditures



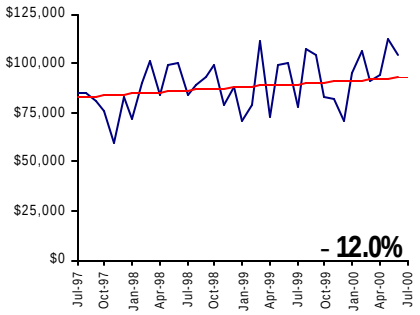
Number of Procedures



Average Cost per Procedure



Total Physician Costs for Eye Procedures



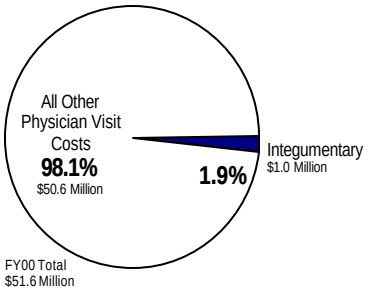
Integumentary

PHYSICIAN PROCEDURE RANGE

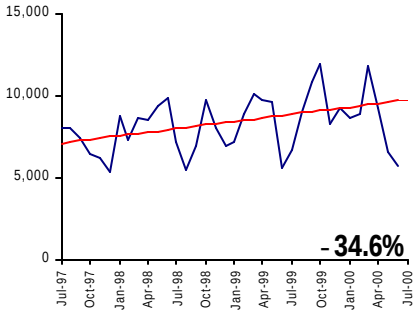
A fancy name for a very important body system, the integumentary system is composed of skin, hair, and nails. Physician Procedures in this category include incision and drainage of skin and subcutaneous accessory structures, removal of skin tags or dermal lesions, excision of malignant lesions or cysts, biopsy or reconstruction, grafts, mastectomy, and local treatment of burns.

This category saw a 34.6 percent growth in procedures performed from FY 1998 to FY 2000, and with it the second highest percent increase (63.1 percent) for Physician Procedure costs totaling $1.0 million

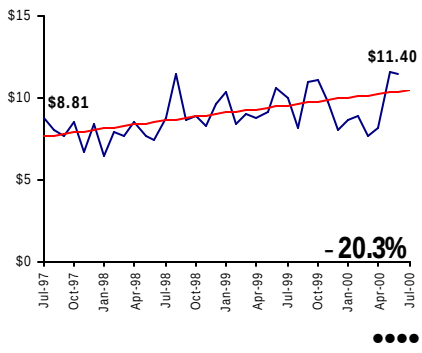
FY 2000 Physician Procedure Expenditures



Number of Procedures



Average Cost per Procedure



Total Costs for Integumentary Procedures

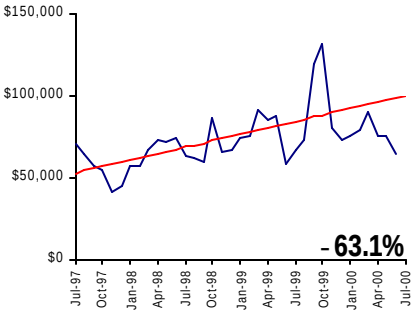


 Chart shows line of fit as a simple, linear trend. Percent change based on first six months of Fiscal Year 1998 and first six months of Fiscal Year 2000. Dollars shown on center charts represent beginning and end points and are not the basis for percent change calculation.

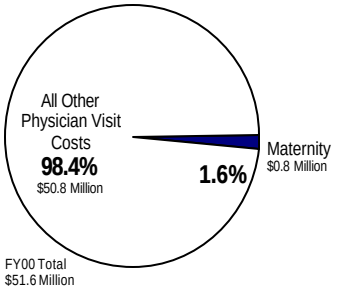
Maternity

PHYSICIAN PROCEDURE RANGE

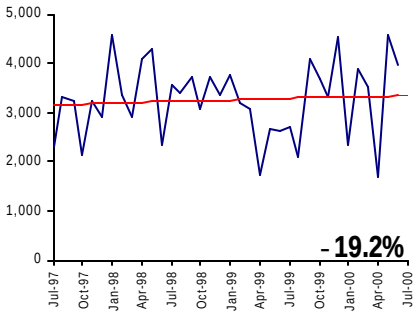
Procedures normally provided in uncomplicated maternity cases include antepartum care, delivery, and postpartum care. These include routine examinations, visits until delivery, labor management and vaginal or cesarean section, abortion, and other procedures. With the majority of MAA-covered maternity occurring in managed care, this category represented only 1.6 percent of FY 2000 physician costs under fee-for-service.

In FY 2000, the number of procedures performed grew by less than 1,000 but the percentage growth was 19.2 percent. Total costs, up by 31.8 percent, came to $0.8 million.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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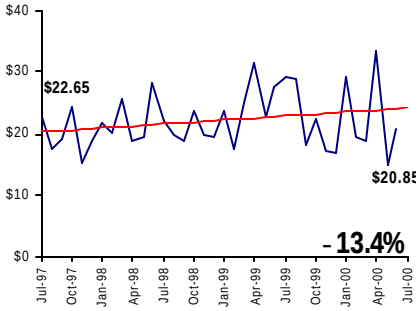
Average Cost per Procedure



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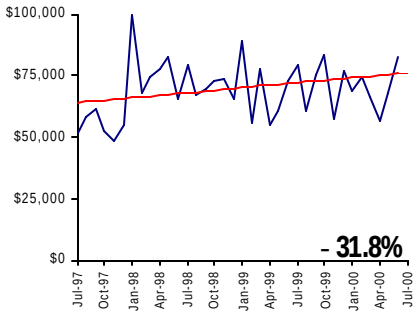
Total Costs for Maternity Procedures



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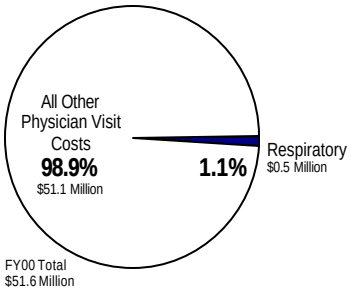
Respiratory

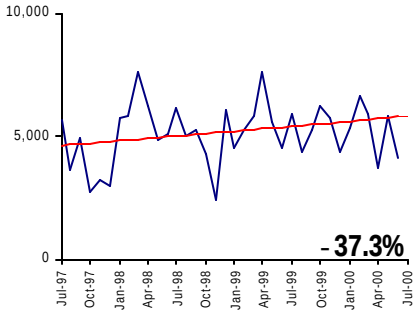
PHYSICIAN PROCEDURE RANGE

The respiratory system encompasses the nose, pharynx, larynx or voice box, trachea and the lungs. Illness and death from pneumococcal infections, legionnaire's disease, Streptococcal infections, community-acquired pneumonia, and the flu (*Haemophilus influenzae*) are significant public health threats. Smoking related conditions are also evidenced here. Between FY 1998 and FY 2000, respiratory procedures for Aged, Blind, and Disabled CN increased by about 1,500, representing the fourth highest percent increase of all Physician Procedures diagnosis categories.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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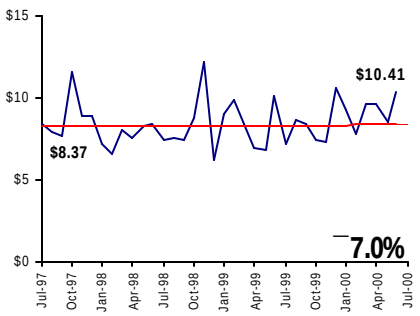
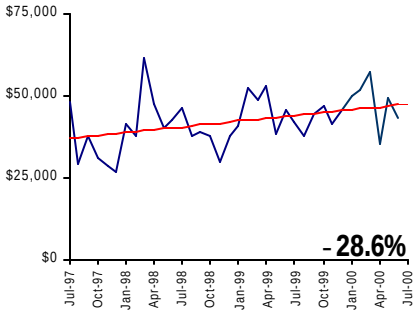
Average Cost per Procedure



Total Costs for Respiratory Procedures



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●● = 5.0 to 9.9 percent. ● = 0 to 4.9 percent. **None** = Decrease.

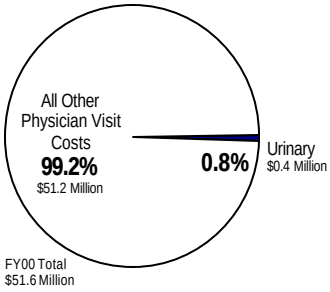
Urinary

PHYSICIAN PROCEDURE RANGE

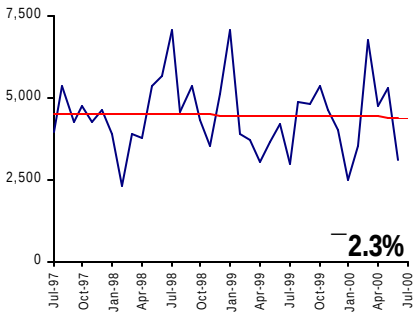
The urinary system includes the kidneys, bladder, ureter and pelvis, vesical neck and prostate, and urethra. Treatments typical in this category often target renal exploration, biopsy, or removal, laparoscopy and endoscopy.

With less than 7,500 urinary procedures performed between FY 1998 and FY 2000, this category captured 0.8 percent of all Physician Procedure spending. It was one of only two diagnostic categories experiencing a decline in use. The dollar change in average per unit cost seems minimal, but represented the highest percent increase of all diagnostic categories.

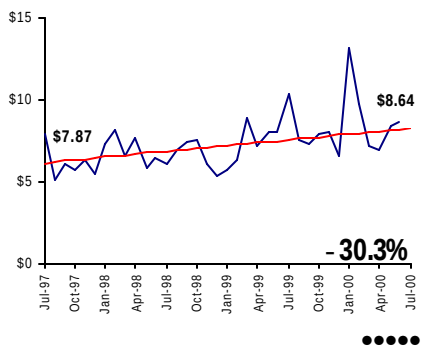
FY 2000 Physician Procedure Expenditures



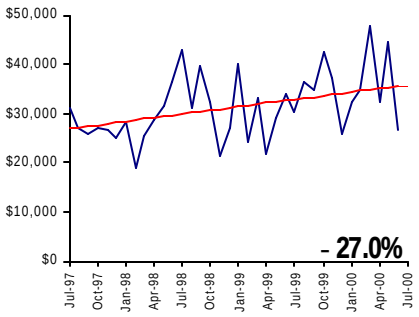
Number of Procedures



Average Cost per Procedure



Total Costs for Urinary Procedures



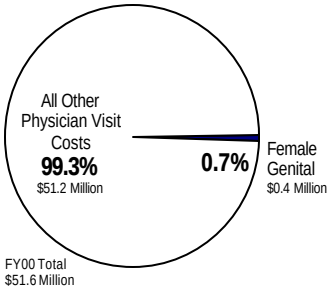
Female Genital

PHYSICIAN PROCEDURE RANGE

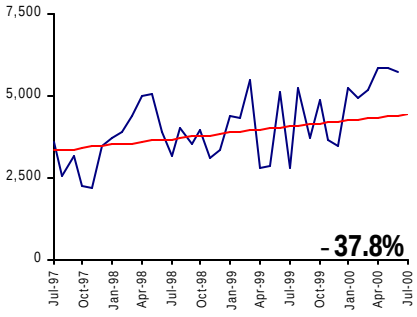
Physician Procedures in this category target the female vulva, vagina, corpus uteri, oviduct and ovaries. Actual procedures range from repair, to biopsy and removal, dilation, pelvic exams, hysterectomy, and laparoscopy.

A small portion of the Aged, Blind, and Disabled CN population received these – 3,940 in FY 2000 – an increase of about 1,000 or 0.7 percent.

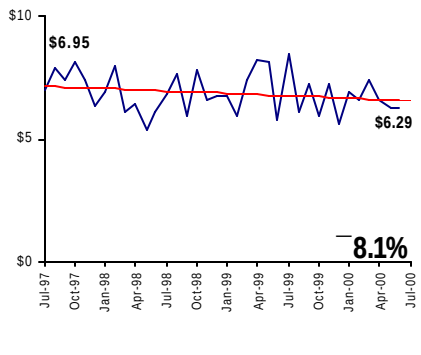
FY 2000 Physician Procedure Expenditures



Number of Procedures



Average Cost per Procedure



Total Costs for Female Genital Procedures

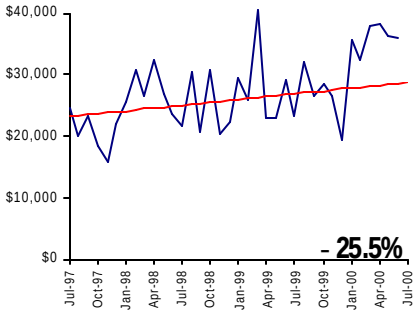


 Chart shows line of fit as a simple, linear trend. Percent change based on first six months of Fiscal Year 1998 and first six months of Fiscal Year 2000. Dollars shown on center charts represent beginning and end points and are not the basis for percent change calculation.

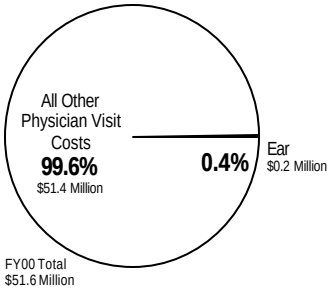
Ear

PHYSICIAN PROCEDURE RANGE

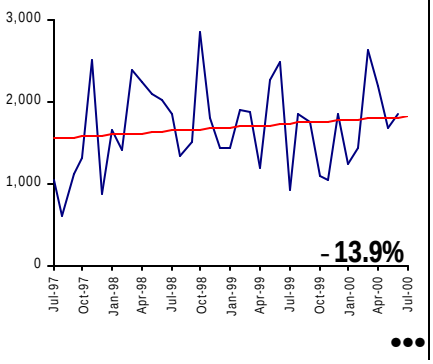
This category targets the external, middle, inner ear, and temporal bone. Procedures can include drainage, removal of foreign bodies, lesions, or impacted earwax, cochlear implants, and Eustachian tube inflation or catheterization.

One of MAA's smaller Physician Procedure use and cost centers, the study period logged between 1,245 and 1,417, and a spending total of $196,814.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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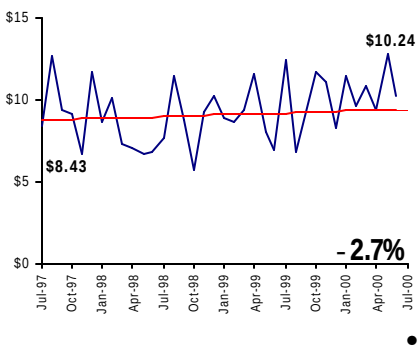
Average Cost per Procedure



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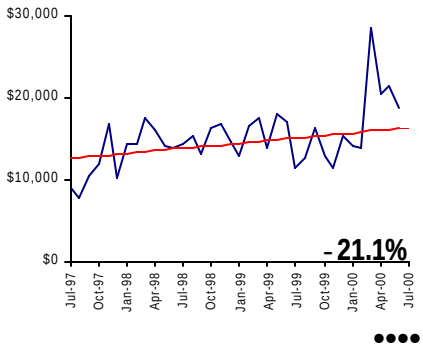
Total Costs for Ear Procedures



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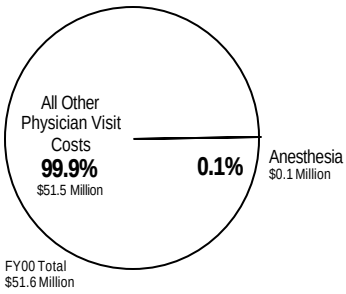
Anesthesia

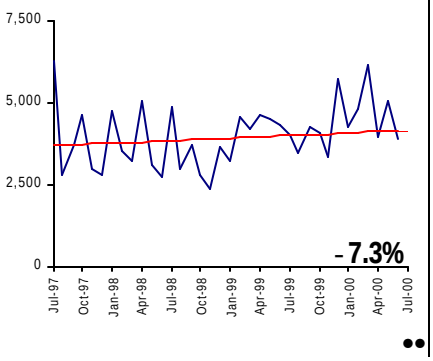
PHYSICIAN PROCEDURE RANGE

There are four broad categories of anesthesia that physicians can use – local anesthesia, regional anesthesia, sedation and general anesthesia. Procedures involving the administration of anesthesia can encompass time reporting and materials. Most anesthesia services are coded to reflect the surgical procedures for which the service was supplied, and is designated with a procedure modifier code. Costs for these anesthesia services are included in other Physician categories. Services reported in this category were not coded to indicate other procedures. The apparent downward trend is not indicative of overall anesthesia services provided.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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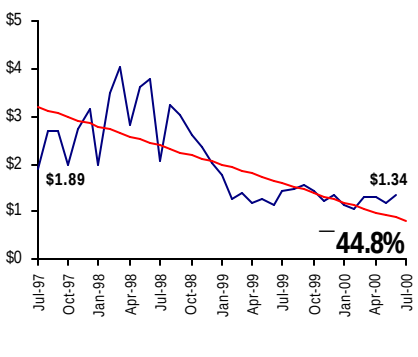
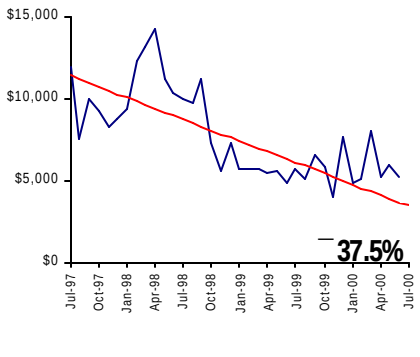
Average Cost per Procedure



Total Costs for Anesthesia



DOTS represent percent change: ●●●●●●● = Over 75 percent increase. ●●●●●● = 50.0 to 74.9 percent. ●●●●● = 30.0 to 49.9 percent. ●●●● = 20.0 to 29.9 percent. ●●● = 10.0 to 19.9 percent. ●● = 5.0 to 9.9 percent. ● = 0 to 4.9 percent. **None** = Decrease.

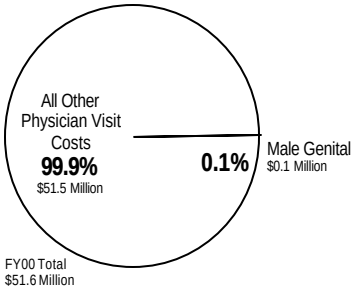
Male Genital

PHYSICIAN PROCEDURE RANGE

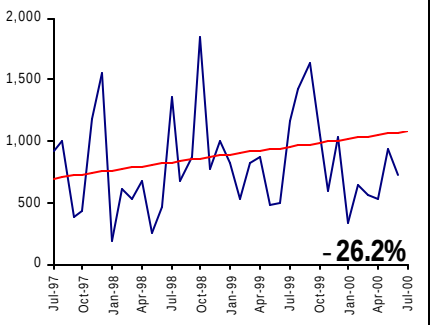
In this category, Physician Procedures can include incision, excision, exploration and biopsy for the penis, testis, tunica vaginalis, scrotum, vas deferens, spermatic cord, seminal vesicles and prostate.

The number of male genital procedures rose from 913 to 1,153 in the study period; the $67,841in total costs, or 47.1 percent, represented the fifth highest percentage increase in this sector.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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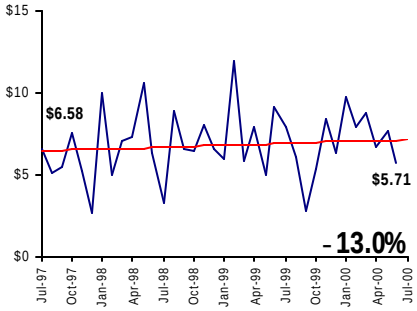
Average Cost per Procedure



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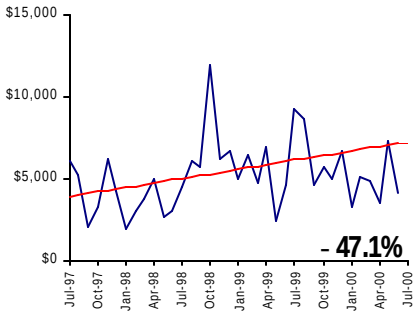
Total Costs for Male Genital Procedures



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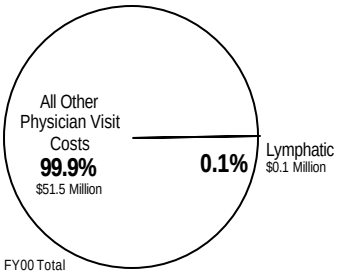
Lymphatic

PHYSICIAN PROCEDURE RANGE

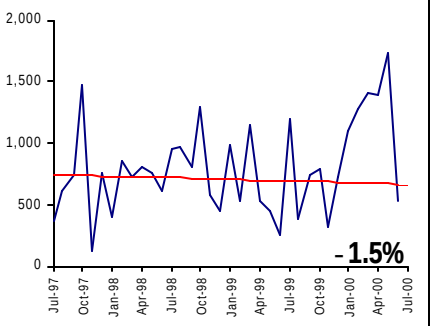
Lymphatic is the common name for the circulatory vessels or ducts in which the fluid bathing the tissue cells of vertebrates is collected and carried to join the bloodstream proper. Procedures for the hemic and lymphatic systems target the spleen, lymph nodes and channels, and incorporate bone marrow or stem cell transplantation procedures.

Between FY 1998 and FY 2000, total spending for lymphatic procedures represented a 9.1 percent cost increase for the period.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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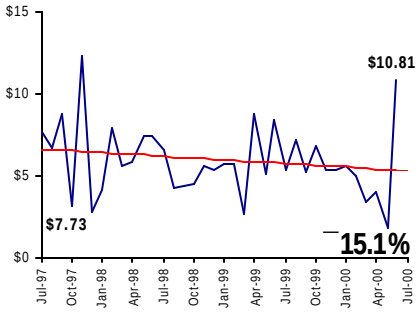
Average Cost per Procedure



Total Costs for Lymphatic Procedures

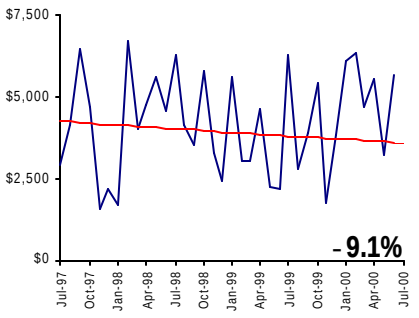


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 Chart shows line of fit as a simple, linear trend. Percent change based on first six months of Fiscal Year 1998 and first six months of Fiscal Year 2000. Dollars shown on center charts represent beginning and end points and are not the basis for percent change calculation.

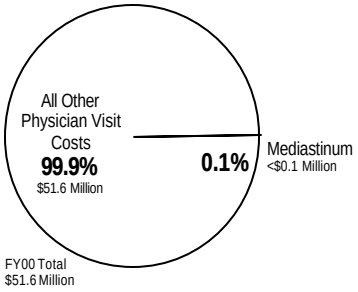
Mediastinum

PHYSICIAN PROCEDURE RANGE

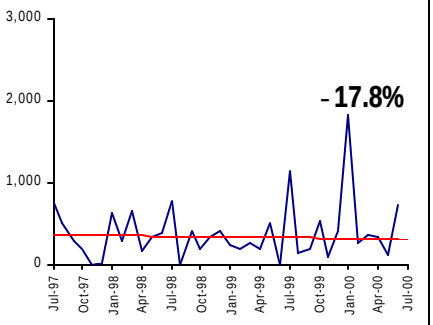
This anatomic region located between the lungs contains all the principal tissues and organs of the chest except the lungs. The mediastinum is a division of the thoracic cavity and contains the heart, thymus gland, portions of the esophagus and trachea, and other structures. For clinical purposes, it is traditionally divided into the anterior, middle, posterior, and superior regions.

Costs in this category rose 23.5 percent from FY 1998. The small dollar change and small number of procedures – 342 in FY 2000 – combined for a total expenditure in this arena of only $27,961.

FY 2000 Physician Procedure Expenditures



Number of Procedures



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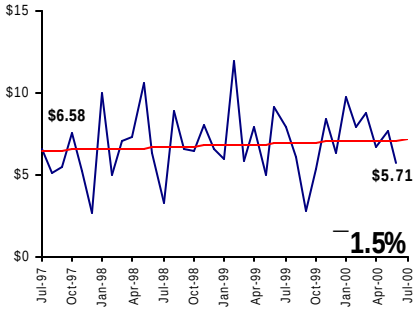
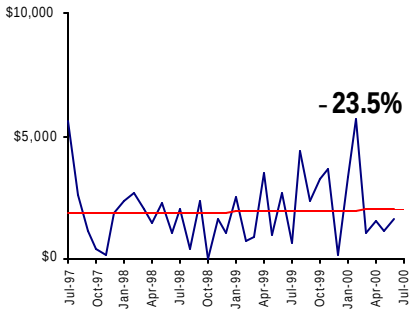
Average Cost per Procedure



Total Costs for Mediastinum Procedures



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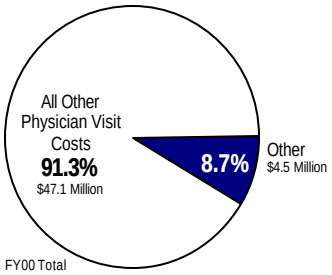
Other

PHYSICIAN PROCEDURE RANGE

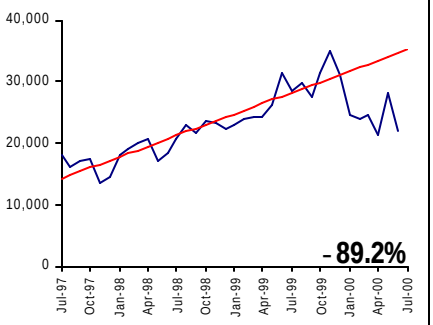
Diagnostic categories with numbers too small or data too soft for accurate trending were placed together into an "Other" category. Physician Procedures represented in this grouped category totaled $4,504,777.

This group stood out having the greatest "single category" percentage increase in cost at 118.9 percent and having an accumulated unit increase of 89.2 percent. Average costs per unit were up 16.0 percent and ranged from an aggregated low of $167,417 to a high of $359,844. Additional analysis needs to be performed in this category.

FY 2000 Physician Procedure Expenditures



Number of Other Procedures



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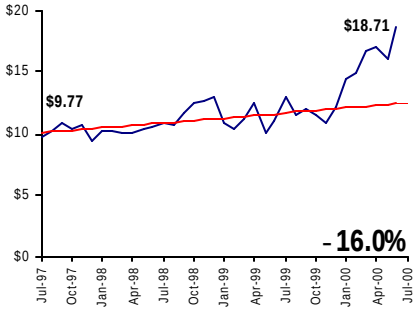
Average Cost per Other Procedures



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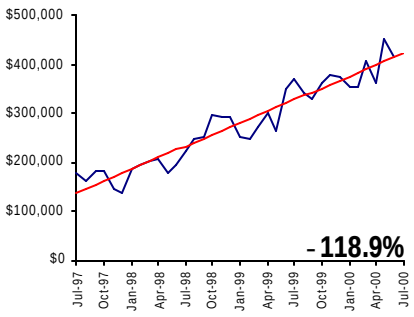
Total Costs for Other Physician Procedures



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